Agenda

- DHL's role in supporting Service Supply Chain re-structuring
- Challenges & Opportunities in re-structuring Service Supply Chains
- Solutions to re-structuring to overcome Challenges & Exploit Opportunities
The New DHL
DHL will become the recognized leader in the management of integrated solutions for mission-critical service parts logistics.
Service Parts Logistics Offering

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Service Supply Chain Re-Structuring Challenges

- **Customer needs**
  - Expected improvement in cost & service level
  - Need to manage entitlement and differentiated service levels

- **Partners in Service Supply Chain**
  - Retain and re-format
  - Develop exit strategies
  - Change of management relationship e.g. LLP (4PL)
  - Knowledge retention in partner organizations

- **Implementation challenge**
  - Service degradation & cost risk
  - Seamless transition for existing customers
  - Pressure for rapid implementation
Service Supply Chain Re-Structuring Opportunities

- **New Business Models**
  - Improved service at a given cost
  - Manage entitlements
  - Differentiated service levels within supply chain

- **Partner Management**
  - Retain key partners within network
  - Replace weaker less strategic partners

- **Increase Outsourcing Activity**
  - Execution (Logistics)
  - Management (LLP)
  - Perceived Core Service e.g. Planning, Sourcing etc.
Service Supply Chain Re-Structuring Solutions

- **Existing in-sourced capability**
  - Core competence evaluation
  - Cost of outsourcing versus doing in-house
  - Partner evaluation process

- **Existing outsourced capability**
  - Are partners performing
  - Are partners continually proactively driving innovation
  - Is partners long term vision aligned to your direction
  - Does the partners business culture ‘fit’ yours

- **Develop a management framework for development**
  - Identify partners with – design, implementation and program resources
  - Identify partner who can manage service network
  - Focus on overall IT backbone for network management
The IT approach to re-structuring Service Supply Chains

- **Visibility**
  - Maximize visibility throughout all relevant nodes and action points

- **Adaptability**
  - Flexible Plug & Play Architecture that supports variable changing business environments

- **Workflow**
  - Standardized processes and flows with service elements and configurability
Synchronised Fulfillment Management

Synchronised Fulfillment

Real-time, intelligent execution of simultaneous supply chain partner activity (customers, partners, operations, suppliers) in a manner that is mutually supportive and seamless
Development of Integrated Solutions

- Service level analysis
- What-if scenarios
- Management reports
- Forecast MTBF

OEM Service Mktg

- Installed base / Contracts
- Entitlement
- Part attributes
- Effectivity
- Initial MTBF
- Target service levels

SAP

- Historical demand
- Repair / New buy Lead times
- On hand on order / repair

(MCA SPO Strategy)

- Target stock levels

OEM Planning

DHL Logistics

- Repair / Sourcing

Central Depot

US SPC’s

Field Engineer

Customer

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Meeting the re-structuring challenge

- **Re-structuring challenges**
  - Customer needs
  - Partner in service supply chain
  - Implementation challenges

- **Opportunities**
  - New business models
  - New partners for execution and management
  - Increased Outsourcing

- **Solution Methodologies**
  - Review in-house activity
  - Review of existing partners
  - Identify a partner who can manage (part of) the total solution
  - Focus on an IT back-bone for network management